REME COURT, U. S.

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No. 1012

In the
Supreme Court of the United States
OCTOBER TERM, 1968

NATIONAL SPONGE CUSHION CO., INC.,
Petitioner,

v.

ALLEN INDUSTRIES, INC. and
COLONIAL RUBBER WORKS, INC.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit

PETITIONER'S REPLY BRIEF

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The Scheffer Press, Inc.—ANdover 3-6850

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THE "KEY" ISSUE

The key issue before this Court is **not** whether any differences in the record can possibly reconcile the conflicting outcome on the same issue in different circuits. The key issue is **whether the jury function in this case has been respected.**

Petitioner submits that there is abundant, persuasive evidence establishing non-obviousness and supporting the jury's verdict upholding validity. This evidence includes,

for example, the contemporaneous private internal correspondence of U.S. Rubber Company establishing that persons of exceptional skill in this art, and having full knowledge of the prior art, were unable to discover that which the patent in suit teaches despite intensive efforts to do so (139a-142a). Fifteen years after the invention and fifteen months after the jury's favorable verdict, however, the trial court upset the verdict without observing the proper guidelines in passing on a motion for judgment n.o.v. In so doing it effectively denied this petitioner its right to trial by jury.

A DIRECT CONFLICT IS CLEARLY PRESENT

Respondents' contention that "There is No Real Conflict of Decisions" is untenable. The Court of Appeals for the **Ninth** Circuit, concluding that the patented subject **"required more ingenuity** than the work of a mechanic skilled in the art" and **"measures up** to the established standards for invention", held the patent **valid** (37c-39c). The Court of Appeals for the **Third** Circuit, adopting the District Court's opinion that the patented subject matter **"would have been obvious** to a person of ordinary skill in the art" and "the jury's finding of patent validity **is inconsistent with** the established standards of invention", held the patent **invalid** (28c, 42c). Yet respondents attempt to explain away the direct conflict on the specious ground that the records in the two circuits are not the same.

But are the records ever the same? In almost every case where a patent is litigated a second time after being upheld in one circuit, the accused infringer attempts to augment the proofs of the first case in some way so that an allegation of "new evidence" and different record can be made. It would be highly surprising and most unusual if the accused infringer did not. The history of patent

cases accepted by this Court shows that the records before the respective conflicting circuits are seldom the same. Yet this Court has reviewed.

In *Diamond Rubber Company of New York* v. *Consolidated Rubber Tire Company*, 220 U.S. 428, 430 (1911), this Court reviewed and affirmed the conflicting decision of the Second Circuit upholding a patent previously held invalid by the Sixth Circuit, even though this Court specifically noted that the later record was based upon

> ". . . new facts and features which have been added to or developed from the records in the earlier cases. . . ."

In *Eibel Process Co.*, v. *Minnesota & Ontario Paper Co.*, 274 F 540, 552 (1 Cir. 1921), the First Circuit, in handing down a conflicting opinion, specifically noted that,

> ". . . the record before us is so different from that which was before the court in the Second Circuit that we do not think that we can properly follow that decision. . . ."

Notwithstanding, this Court reviewed and reversed the First Circuit at 261 U.S. 45 (1923).

In *Dow Chemical Co.* v. *Halliburton Oil Well Cementing Co.*, 139 F.2d 473, 475 (6 Cir. 1943), the Sixth Circuit, in handing down an opinion which conflicted with the Tenth Circuit, specifically noted that the Tenth Circuit,

> ". . . did not have the advantage of testimony presented in the instant case. . . ."

Notwithstanding, this Court granted certiorari and affirmed the Sixth Circuit at 324 U.S. 320 (1945).

See also *Permutit Co.* v. *Graver Corporation*, 284 U.S. 52, 58 (1931), and the lower court's acknowledgment of a

different record therein, 43 F.2d 898, 903 (7 Cir. 1930). In the present case, there is no acknowledgment by either the trial court or Court of Appeals of a different record or even that there is a prior conflicting decision.

RELEVANT ISSUES OF FACT ARE CONTROVERTED

Respondents' repeated references to "uncontroverted evidence" and "uncontroverted testimony" and their contention that there are "no disputed relevant facts" grossly misrepresent the record of this hotly-contested litigation. Some of the very exhibits and testimony they rely upon in their opposing brief belie their contention.

At pages 5 and 11, for example, they refer to "the uncontroverted testimony and exhibits of employees of Goodrich" and have sent up for consideration by this Court in opposing this petition several physical exhibits including a B. F. Goodrich Company product identified as P-6 or PX 6. A critical question is whether this alleged prior art sample was prepared without an adhesive. On direct examination, the principal Goodrich witness for respondents testified that **no** adhesive was used (17b). On cross-examination he was impeached; during his previous deposition he had testified under oath to the contrary (92a). He finally admitted he was relying entirely on a sample tagging system which was shown to be unreliable (93a, 136a-138a). Notwithstanding, the trial court specifically noted in its opinion that P-6 and other exhibits were prepared "without the use of adhesives" (14c), a determination which should properly have been left to the jury.

THE MOST PERTINENT PATENT WAS BEFORE THE NINTH CIRCUIT

Respondents' statement at page 6 of their brief that

> ". . . All five of these prior art patents were not before the Ninth Circuit Court of Appeals"

is misleading. "**All** five . . . were not before the Ninth Circuit", but, significantly, the most pertinent of the five was.

This is Blair et al. U.S. Patent 2,480,316, the primary prior art patent reference upon which respondents rely and to which they devoted more trial time and briefing effort than to all of the other four combined (P-226, P-226A, P-308, 286a-288a, 121b-130b, 144b-145b, 166b, 171b-174b, Trial Tr. 1183, 1379, 1395-1397, 1738-1741). This same patent was heavily relied upon in the Ninth Circuit case and was fully considered and discarded by the Court of Appeals for the Ninth Circuit in its opinion (32c-34c).

CONCLUSION

The import of this patent case goes beyond the resolution of a direct conflict between decisions of the Third and Ninth Circuits as to validity. This case presents this Court with the opportunity to refurbish the eroded stature of the jury and the right to trial by jury in patent cases.

Respectfully submitted,

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